

# Exhibit 626 to the Cisneros Declaration, Revised Version

From: Alan Eustace [eustace@google.com]  
 Sent: Thursday, October 14, 2010 5:50 PM  
 To: shona@google.com  
 Cc: jonathan@google.com; TheOC; Campbell, Bill  
 Subject: Re: thoughts on counter offers

I answered a question about this in Zurich in front of 500 or so engineers on Tuesday, asking about counter-offers. Tom Stocky was also there. This appears to a much bigger topic in Europe than it is here, which is strange, because my understanding is that we've had far fewer counter-offers there.

I said that every time an employee has a better offer, a company is forced to decide how badly they want the employee, and what they are ultimately worth. These are always very difficult decisions. I said that it sometimes makes sense to make changes in compensation, even if it introduces discontinuities in your current comp, to save your best people, and send a message to the hiring company that we'll fight for our best people. I gave them the example of VMWare, where Diane Green doubled the salary of the first three people we tried to hire, and we gave up. For a few hundred thousand dollars and a couple of serious inversions in her salary structure, she inoculated the company against Google. Once you get a few really good people, many, many others will follow. You can't afford to be a rich target for other companies.

I said that long-term the right approach is to not deal with these situations as one-offs but have a systematic approach to compensation that makes it very difficult for anyone to get a better offer. This was a forward reference to Big-Bang.

What I didn't say, but should have, is that interviewing for higher salaries is a high risk strategy. You better be prepared to take the money and run, because we may just take you up on your offer to leave. It also seriously questions your loyalty and character, which could have long-term consequences to your career that offset any financial gain.

Alan

On Sat, Oct 9, 2010 at 3:32 PM, Shona Brown <shona@google.com> wrote:

This is the well known downside of what we have chosen to do. I think our best approach is explain our rationale (which is sound) to the honest broker strong performers who approach us on the subject. And hope that big bang and other efforts we take short circuits the whole loop dramatically causing less people to seek other offers in the first place.

On Fri, Oct 8, 2010 at 8:25 PM, Jonathan Rosenberg <jonathan@google.com> wrote:

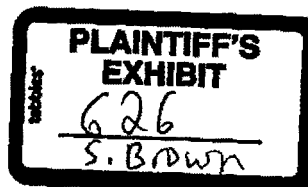
I am not questioning our counter offer strategy and in fact I'm a big proponent of it. That said, word is getting out to the broader population though and with the reaction one would expect. Two paragraphs excerpted and highlighted from email below for emphasis.

I'm speaking in general terms, but of course this is personal for me. I'm one of the loyal folks who is upset by our practice of counter offers, not just because I think it's a bad business practice, but because it feels like my loyalty is being punished. I'm not alone here -- a number of top performers have mentioned this to me in the last few weeks, all with the same sentiment, that it feels like we're encouraging people to run to competitors and get job offers.

It's impossible to keep something like this a secret. The people getting counter offers talk, not just to Googlers and ex-Googlers, but also to the competitors where they received their offers (in the hopes of improving them), and those competitors talk too, using it as a tool to recruit more Googlers.

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----- Forwarded message -----

From: **Tom Stocky** <[stocky@google.com](mailto:stocky@google.com)>

Date: Thu, Oct 7, 2010 at 2:15 PM

Subject: thoughts on counter offers

To: Jonathan Rosenberg <[jonathan@google.com](mailto:jonathan@google.com)>, Alan Eustace <[eustace@google.com](mailto:eustace@google.com)>

Cc: Marissa Mayer <[marissa@google.com](mailto:marissa@google.com)>

[ cc'ing Marissa, though I haven't talked with her about this ]

Jonathan, Alan,

I'm sure I'm not the first to raise this issue, but I want to share my thoughts in case another perspective is helpful. I think what we're doing with counter offers is damaging to our culture. When someone goes to a competitor and gets an offer, we should of course encourage the person to stay if s/he is a top performer, but I think we should focus on intrinsic motivators, long-term opportunities, etc.

If instead we respond with a counter offer that involves increased compensation and/or a speedy promotion, we provide incentives for the wrong behavior and create a short-term fix that clearly doesn't scale and doesn't address the underlying issues. At the point where a top performer is willing to leave based on a competitive offer, we've already failed. If we're willing to pay that person more or promote him/her, we should've done so already and our willingness to provide a counter offer confirms that oversight.

I've also heard about cases where we've provided a counter offer to retain someone not because that person is a top performer, but because that person has deep knowledge of important plans or IP. I think this tactic is even more flawed. That person will only learn more by staying at Google longer and is almost certain to leave in the near future even if s/he accepts our counter offer, at which point we'll be in the same exact situation. And for the time that the person remains, there will be serious resentment among his/her peers for what seems like an unfair bump.

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I hope this feedback is useful -- I feel like this is a serious issue and something that probably goes beyond PM and Eng.

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Tom

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